



Scott Sebastian
Legal Department
185 Asylum Street, CT039-020B
Hartford, Connecticut 06103
Tel (860) 702-5159 Fax (860) 702-9719

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VIA ELECTRONIC MAIL: larry.carbonneau@maine.gov

Mr. Larry Carbonneau, CPA
Senior Financial Analyst
Maine Department of Health and Human Services
Division of Licensing and Regulatory Services
41 Anthony Avenue
Augusta, ME 04333-0011

Re: Request for Determination of Non-Applicability and Certification under
24-A M.R.S.A. 4204(2-A)

Dear Mr. Carbonneau:

On behalf of UnitedHealthcare of New England, Inc. (the "UHCNE" or the "Company"), I am writing to: (1) confirm that the transaction described below is not subject to review under Maine Revised Statutes Title 22, Chapter 103-A and may proceed without the issuance of a Certificate of Need (the "CON") and (2) request a certification from the Department of Health and Human Services (the "Department") that UHCNE satisfies certain requirements described in 24-A M.R.S.A. 4204(2-A) relating to standards of patient care and the maintenance of an internal quality assurance program. This request is submitted pursuant to 24-A M.R.S.A. 4204-(2-A) as part of an Application for a Certificate of Authority submitted by UHCNE to the Maine Bureau of Insurance.

Background

UHCNE, generally licensed as a health maintenance organization ("HMO"), offers its enrollees a variety of managed care programs and products through contractual arrangements with health care providers. The Company is a wholly-owned subsidiary of United HealthCare Services, Inc. ("UHS"), a management corporation that provides services to the Company under the terms of a management agreement. UHS is a wholly owned subsidiary of UnitedHealth Group Incorporated ("UnitedHealth Group"), a publicly held company trading on the New York Stock Exchange.

UHCNE was incorporated on November 14, 1984 as an HMO, and operations commenced on December 27, 1984. The Company is certified as an HMO by the Rhode Island Department of Business Regulation (the "Department"), Massachusetts Division of Insurance, New Hampshire Insurance Department, Vermont Department of Financial Protection – Insurance Division, and Pennsylvania Insurance Department. The Company has entered into contracts with physicians, hospitals, and other health care provider organizations to deliver health care services for all enrollees.

The Company offers comprehensive commercial products to individual and employer groups. Each

contract outlines the coverage provided and renewal provisions.

The Company serves as a plan sponsor offering Medicare Parts A & B, along with Medicare Part D prescription drug insurance coverage (collectively "Medicare Plans") under contracts with the Centers for Medicare and Medicaid Services ("CMS"). The Company receives seven different payment elements either during the year or at final settlement in the subsequent year: CMS premium, member premium, CMS low-income premium subsidy, CMS catastrophic reinsurance subsidy, CMS low-income member cost-sharing subsidy, CMS risk share, and the CMS coverage gap discount program ("CGDP"). The applicable payment elements are received either during the year or at settlement in the subsequent year.

The Company is seeking a new license in Maine for the sole purpose of offering Commercial plans effective January 1, 2022.

Analysis Regarding Non-Applicability of CON Requirements

I respectfully submit that the proposed licensure of UHCNE's to operate an HMO in Maine may proceed without the necessity of a CON because, notwithstanding the general provisions of 22 M.R.S.A. 329, the requirements of Title 22, Chapter 103-A do not apply to activities or acquisitions by or on behalf of a health maintenance organization. *See* 22 M.R.S.A. 330(2). Therefore, we request a certification from the Department that a CON is not required.

Requirements of 24-A M.R.S.A. 4204(2-A)

Assuming that the Department can confirm that the proposed licensure of UHCNE to operate an HMO in Maine is not subject to review and can proceed without the issuance of a CON, I respectfully request that the Department certify that the procedures governing the provision of services and the quality assurance program to be established by UHCNE satisfy the requirements of 24-A M.R.S.A. 4204(2-A). Accordingly, UHCNE represents to the Department that it has and shall:

1. Establish and maintain procedures to ensure that the healthcare services provided to plan members are rendered under reasonable standards of quality of care consistent with prevailing professionally recognized standards of medical practice, which procedures include mechanisms to ensure availability, accessibility, and continuity of care.
2. Have an ongoing internal quality assurance program to monitor and evaluate its health care services including primary and specialist physician services, ancillary and preventive healthcare services across all institutional and noninstitutional settings. The program is structured to comply with written policies, accreditation standards, or regulatory requirements that include:
 - a. Goals and objectives that emphasize improved health outcomes in evaluating the quality of care rendered to enrollees;
 - b. A quality assurance plan that describes the following:
 - i. The health maintenance organization's scope and purpose in quality assurance;
 - ii. The organizational structure responsible for quality assurance activities;
 - iii. Contractual arrangements, in appropriate instances, for delegation of quality assurance activities;
 - iv. Confidentiality policies and procedures;
 - v. A system of ongoing evaluation activities;
 - vi. A system of focused evaluation activities;

- vii. A system for reviewing and evaluating provider credentials for acceptance and performing peer review activities; and
 - viii. Duties and responsibilities of the designated physician supervising the quality assurance activities;
- c. A system of ongoing quality assurance activities including:
 - i. Problem assessment, identification, selection, and study;
 - ii. Corrective action, monitoring evaluation and reassessment; and
 - iii. Interpretation and analysis of patterns of care rendered to individual patients by individual providers;
 - d. A system of focused quality assurance activities based on representative samples of the enrolled population that identifies the method of topic selection, study, data collection, analysis, interpretation, and report format; and
 - e. Plans for taking appropriate corrective action whenever, as determined by the quality assurance program, inappropriate or substandard services have been provided or services that should have been furnished have not been provided.

In this regard, we note that the HMO operated by UHCNE has received accreditation from the National Committee for Quality Assurance (the "NCQA"). In order to obtain NCQA accreditation, UHCNE was required to establish and maintain standards for patient care and an ongoing internal quality assurance program that meets NCQA criteria which either parallel or exceed the requirement of 24-A M.R.S.A. 4204(2-A). The same standards, procedures, and programs of UHCNE will be maintained fully by UHCNE.

Conclusion

Based on the foregoing analysis and representations, I respectfully request confirmation that the proposed licensure of UHCNE to operate an HMO in Maine is not subject to CON review. I also respectfully request that the Department certify to the Maine Bureau of Insurance that UHCNE will meet the applicable requirements of 24-A M.R.S.A. 4204(2-A), relating to procedures for standards of service and quality assurance programs.

If you require any additional information or documentation to complete your consideration of the requests contained in this letter, please let me know.

Thank you for your assistance and consideration!

Respectfully,

/s/

Scott E. Sebastian